



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 1/24/2005

GAIN Report Number: RS5009

Russian Federation

FAIRS Product Specific

Beer and Wine

2005

Approved by:

Allan Mustard
American Embassy

Prepared by:

Yelena Vassilieva, OAA and ATO

Report Highlights:

The wine market in Russia is growing rapidly, at about 30 percent per year, driven by stable economic growth and a growing preference for wine over other traditional alcohol products. This growth opens up an opportunity for U.S. exporters, which, despite stiff competition from emerging wine exporters, is already being realized. To support trade, Post provides additional data on the laws and regulations that govern wine exports to Russia.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Moscow [RS1]
[RS]

Table of Contents

Executive Summary	4
Section II. Labeling Requirements	4
General Requirements	4
Wines:	4
Beer:	5
Section III. Packaging and Container Requirements	5
Section V. Pesticides and Other Contaminants	6
Table 1. Maximum Levels	6
Section VIII. Copyright/Trademark Laws	7
Section IX. Import Procedures	7
Import Documentation for Wine	7
Tariffs and Duties	7
Appendix I. Government Regulatory Agency Contacts	8
Appendix II. Other Import Specialist Contacts	8

Food and Agricultural Import Regulations and Standards

This report was prepared by the Office of Agricultural Affairs and the Agricultural Trade Office of the USDA/Foreign Agricultural Service in Moscow, Russia for U.S. exporters of domestic food and agricultural products. While every possible care was taken in the preparation of this report, information provided may not be completely accurate either because policies have changed since its preparation, or because clear and consistent information about these policies was not available. It is highly recommended that U.S. Exporters verify the full set of import requirements with their foreign customers, who are normally best equipped to research such matters with local authorities, before any goods are shipped.

**FINAL IMPORT APPROVAL OF ANY PRODUCT IS SUBJECT TO THE IMPORTING
COUNTRY'S RULES AND REGULATIONS AS INTERPRETED BY BORDER OFFICIALS AT
THE TIME OF PRODUCT ENTRY.**

Executive Summary

Beer and wine are becoming more popular amongst consumers in Russia, and these products show great promise for American exporters. Post provides additional specific information on the laws and regulations that govern trade. For additional information on market growth and potential, please see GAIN report RS4319 entitled "Wine Market Brief." Data and background on Russia's general food regulations can be found in GAIN report RS4040, "Country Report."

Section II. Labeling Requirements

General Requirements

There are several general labeling requirements that must be adhered to before wine can be sold in Russia. For example, each bottle of wine is required to be labeled in the Russian language. The label can be put on the bottle after customs clearance or before the shipment at the exporter's or producer's warehouse, but always before the product is placed on the retail market. There is no specific design requirement for the label.

Russian law requires that the following information be placed on the label, by product:

Wines:

- product name;
- manufacturer's name and location [in-country legal address, and if this physical location does not coincide with its legal address, the label should provide the producer's address (addresses)] and the address of the organization duly authorized by the manufacturer for accepting claims from consumers on the territory of the Russian Federation (if any);
- the bottling facility name;
- bottling or registration date (for champagne produced in bottles, for vintage and collection wines);
- volume;
- manufacturer's trademark (if any);
- ethyl alcohol content (% of total volume);
- sugar content (except for dry wines, cognacs, brandy, calvados); champagnes, sparkling wines, flavored wines and ciders should be identified by the sugar content name. The law allows for the replacement of sugar content information with the percentage concentration of sugar for sparkling wines. The percentage concentration of sugar should also be indicated for sweet flavored wines;
- storage conditions;
- name of flavors, spices and dyes (for brandy, premixed wine beverages and cocktails). The manufacturer determines the list of major flavors and spices. The presence of ethyl alcohol rectified from edible raw materials also must be indicated for brandy. Ethyl alcohol rectified from edible raw materials and water is to be indicated for premixed wine beverages and cocktails;
- harvest year (for wines with the indication of place of origin, collection and vintage wines, old seasoned wines of the same grape harvest);
- use by date for wine drinks, cocktails and other wine products having a percentage volume of ethyl less than ten percent;
- food additives, flavors, biologically active food additives, ingredients of unconventional food products;
- reference to the regulatory document or technical specifications the product complies with and can be identified by;

- certification information.

Products subject to excise stamps or special stamps and intended for sale at duty-free shops should bear the indication "Only for sale in duty-free shops" on the label and counter-label.

Beer:

- name and type of beer;
- manufacturer's name and location [in-country legal address, and if this physical location does not coincide with its legal address, the label should provide the producer's address (addresses)] and the address of the organization duly authorized by the manufacturer for accepting claims from consumers on the territory of the Russian Federation (if any);
- manufacturer's trademark (if any);
- extractability of original wort;
- minimal percentage volume of ethyl alcohol ("alcohol not less than ... % v.");
- bottling date;
- basic source composition used for brewing;
- names of major ingredients influencing the product's flavor and taste (list of major ingredients is determined by the manufacturer);
- food additives, flavors, biologically active food additives, ingredients of unconventional food products;
- use by date;
- storage conditions;
- volume;
- nutritional value;
- reference to a regulatory document or technical specifications the product complies with and can be identified by;
- certification information.

Additional information may be included to indicate the developer of the recipe and other information and/or advertisements related to the product according to this section.

Section III. Packaging and Container Requirements

Product information must be placed directly on the package in a convenient location. The bottling date of transparent colorless liquid products that are bottled in colorless containers may be marked on the reverse side of the label.

When the package cannot accommodate the complete text of the required information, the manufacturer can, at its discretion, place all or part of the product information on an insert that accompanies each product unit or on a group package. Consumer information shall also be supplied with each unit of group consumer packaging used to retail food products in sets.

When food products are sold at retail in an unpackaged form and when food products are packaged within the sales area in the presence of the consumer, the retailer can, at their discretion, provide information about these products on an insert accompanying each consumer packaging unit, on the price tag, or within the sales area in the immediate vicinity of the product.

Section V. Pesticides and Other Contaminants

The document titled "Hygiene Requirements for Safety and Nutritional Value of Food Products" (Sanitary-Epidemiological Rules and Norms, or "SanPiN" 2.3.2.1078 - 01) controls maximum levels for various chemical compounds. For wine and beer, the requirements are indicated in the table below:

Table 1. Maximum Levels

Index, Products group	Indicators	Not to exceed permitted levels, Mg/kg	Special notes
1.8.7. Beer, wines, vodka, mildly alcoholic and other beverages	Toxic elements		
	Lead	0.3	
	Arsenic	0.2	
	Cadmium	0.03	
	Mercury	0.005	
	Methyl spirit	0.05	Not to exceed permitted levels in per cent
		1.0	Gr/Dm ³ (cognacs)
	Quinine	300	For spirits containing quinine
	Nitrosamines		
	Summary of NDMA and NDEA	0.003	Beer
	Radio-nuclides		
	Cesium- 137	70	
	Stronsium- 90	100	

Source: SanPiN 2.3.2.1078-01

For wine and beer, SanPiN does not determine maximum residue levels for pesticides. Control over presence of pesticides in wine and beer is based only on limitations determined in the General Provisions of SanPiN (p.p. 3.12 and 3.13) that stipulate the following:

- 3.12. - Control over content of residue levels of pesticides and agricultural chemicals, including fumigants, in foodstuff raw materials and food products is conducted based on information on the use of pesticides and agrochemicals in production and storage of produce. This information is submitted by the manufacturer (supplier) of the produce.
- 3.13. - Sanitary-epidemiological expertise or control of the foodstuff raw materials and food products that contain pesticides is conducted in accordance with the effective hygiene norms on the presence of pesticides in the environment.

Section VIII. Copyright/Trademark Laws

U.S. and multinational companies report counterfeiting of patented and trademarked goods as a problem, especially for consumer goods, distilled spirits, and other products. U.S. firms need to take steps to protect their intellectual property, including registering their trademarks with the Russian Federal Service for Intellectual Property, Patents and Trademarks (Rospatent). Some U.S. companies have had difficulty registering and protecting well-known trademarks in Russia, although recently approved legislation has improved protection for such trademarks.

Section IX. Import Procedures

Import Documentation for Wine

The importer is required to provide the customs office with the following documents:

- Product Certificate issued by the relevant Russian certification entity. This document (a notarized copy is acceptable) has to be submitted to the customs office when wine crosses the border. To get this certificate, the importer has to provide the relevant service with the following documents (faxed copies are accepted):
 - o Contract signed between the exporter and importer,
 - o Certificate of Origin,
 - o Certificate of Quality, and
 - o Certificate of Analysis along with the wine samples (three bottles per each name).
- Import license of the importer;
- License of the customs warehouse (where wines are to be cleared);
- Excise stamps documents set; and
- Certificate of Origin, Certificate of Quality, and Certificate of Analysis.

Tariffs and Duties

The import tariff for all wines of fresh grapes (HS number 2204) is 20 percent of customs value, the only exception is HS number 2204 30 (grape must) which is charged a five percent import tariff. The import tariff for vermouth and other wine of fresh grapes flavored with plants or aromatic substances and for other fermented beverages (HS numbers 2205, 2206) is also 20 percent of customs value. There are no wines (regardless of alcohol concentration) that may be imported without duties. The import tariff for beer (HS number 2203) is 0.6 euro per liter. The import tariff for ethyl alcohol and other spirits (HS number 2207) is 100 percent of customs value, but not less than two euros per liter, and import the tariff for ethyl alcohol under HS number 2208 is two euros per liter, except for category 2208 90 910 0 and 2208 90 990 0 with four euros per liter duty. Vinegar and substitutes for vinegar (HS number 2209) are charged 15 percent. At customs, the importer is also charged a VAT of 18 percent for wine and beer. The import tariff for beer (HS number 2203) is 0.6 euros per liter.

In addition to the tariffs mentioned above, excise stamps are expensive and may constitute a major portion of the wine's price. The Tax Code of the Russian Federation sets excises taxes, and the latest amendments to this Code raised these excise taxes to 19.5 rubles per liter of ethyl alcohol, and up to 108 rubles per liter for some wines.

Appendix I. Government Regulatory Agency Contacts

Federal Service for Technical Regulation and Metrology (former Gosstandart)
Moscow, Leninsky prospekt, 9
tel. 7 (095) 230-13-20
tel. 7 (095) 237-54-68, fax 7 (095) 237-6231

Federal Service for Consumer Rights and Social Welfare
Moscow, Vadkovskiy per.18/20
tel. 7 (095) 973-2748, fax. 7 (095) 200-0212, 258-4497
tel. 7 (095) 973-2748, fax 7 (095) 200-0212
tel. 7 (095) 973-2666, 973-1803, 973-2674, fax 7 (095) 258-4497

All-Russian Scientific-Research Institute for Certification (VNIIS)
Moscow, Elektricheskiy per.3
Boris Krutov, Head of Section
tel. 7 (095) 253-3580, fax 7 (095) 253-3360

"Rostest - Moskva", Russian Center for Test and Certification, GOSSTANDART, RF
31, Nakhimovsky prospect, 117418, Moscow, RF
Zlatkovich Lev Arnoldovich, General Director First Deputy
tel. 7 (095) 129-3200, fax 7 (095) 124-9966

GOST standards can be found at the Library for GOSTs or All-Russian Standardization Fund, or purchased at specialized stores located in Moscow.

Appendix II. Other Import Specialist Contacts

Russian Federation web sites of interest include:

Ministry of Agriculture: <http://www.mcx.ru>

Ministry of Economic Development and Trade: <http://www.economy.gov.ru>

Federal Service for Consumer Rights and Social Welfare of the Ministry of Health and Social Development: <http://www.gsen.ru>